

Are You Prepared for The Future? Panel Discussion Notes

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In advance of my presentation in this panel discussion we were presented with an outline of business policies titled: Are You Prepared for The Future? Succession Planning Panel Discussion Points.

We realized that we were lacking in some of the emergency programs/policies/files that might be needed. We had our Special Projects Director, Pam Dukes, review the IPPS outline and develop a Master Company Organization File on a shared Network Drive that addresses these issues.

After significant thought and review of the options for succession at Decker Nursery, I decided the best option was for the company to continue in the event I am no longer available. This is facilitated by the fact that a solid management team is in place, 100% of the stock is owned within the family, and the real estate is owned separately with LLC corporations. Continuing operations would avoid a panic sale and asset loss.

In order to prepare for this transition a CEO had to be designated. In addition, it was determined to develop an Advisory Board to meet two times per year to review the status of the company. The Advisory Board would consist of:

- Owners/family members.
- Nursery and/or business advisors.
- Banking/accounting professionals.
- Company CEO.

The tasks of this Advisory Board are to review budgets, forecasts, and proposed capital expenditures for the upcoming year presented by the CEO. In addition, the Advisory Board would review company long and short-term debt, loans to asset ratios, and working capital/cash flow availability. Without this Advisory Board and the banking representative member, banks could become fearful in the event of a change of leadership and critical operating line of credit could be reduced or removed. The Advisory Board would also advise on Stockholder macro decisions.

In addition, a personal estate plan for the owner should be developed as it relates to the business. This would address future company stock ownership and next generation distribution. It would also address Real Estate ownership and leasing.